ATTACHMENT J.4

PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

PERFORMANCE EVALUATION
AND
MEASUREMENT PLAN (PEMP)
FOR THE
TANK OPERATIONS CONTRACT

Tank Operations Contract

Performance Evaluation and Measurement Plan

The Performance Evaluation and Measurement Plan (PEMP) detail the administration of performance measures and allocation of *Total Available Fee* as defined in Section B, *Supplies or Services and Prices/Costs*.

1. PERFORMANCE MEASURES

Each performance measure will set forth the specific requirements, criteria and/or specifications for acceptable performance of an outcome and the amount of fee assigned to the individual performance measure (See PEMP Table 4-1 for a summary of work requirements that may be targeted for performance measure's).

2. ALLOCATION OF AVAILABLE FEE

DOE will heavily weight the assignment of fee toward meeting production goals, such as treatment of waste and end-product goals, such as the retrieval of single-shell tank (SST) waste, treatment of tank waste, closure of SSTs, closure of SST Farms and full operational status constructed facilities.

3. PERFORMANCE MEASURE FEE STRUCTURE METHODS

Each performance measure may have a distinct fee structure to incentivize maximum performance and resource utilization by the Contractor. Individual performance measures may require the contractor to exceed approved baseline performance to earn 100 percent (%) of the fee allocated to that performance measure. DOE is not limited to the following list of Fee Structure Methods and may combine elements of multiple fee structures. Regardless of the Fee Structure Method used, payment of fee is subject to the fee reduction terms of this Contract, and Fee Determining Official (FDO) approval that the Contractor has achieved the stated outcome for the specific performance measure.

(a) Straight-line Method: This method provides a 100% incremental fee for completion of the performance measure prior to the expiration of the Contract period.

(b) Declining Method: This method provides 100% incremental fee for completion of the performance measure by a specific date and/or milestone, but the percentage is reduced incrementally beyond that event. The specific percentage of reduction and corresponding time or specific milestones triggering the reductions are defined within the performance measure.

(c) Terminal Method: This method provides 100% incremental fee for completion of the performance measure prior to a specific date and/or milestone; however, the Contractor will forfeit 100% of the fee allocated to the performance measure for completion of the performance measure after the passing of the specific date and/or milestone as defined within the performance measure.

(d) Provisional Dependent Method: This method provides the Contractor the opportunity to earn only *Provisional Fee* until completion of a specific milestone, a separate performance measure or multiple performance measure's, upon which the fee becomes progress or final. For example, the Contractor may complete performance measure-1, earn 90% of the fee as *Provisional,* then complete performance measure-2 and earn the associated fee for performance measure-2, as well as convert the P*rovisional Fee* earned for performance measure-1 to an incremental fee.

(e) Subjective Method: This method provides the Contractor the opportunity to earn up to 100% fee for performance of Contract requirements based on subjective criteria as determined by DOE.

(f) Target Method: This method provides for the initially negotiated fee to be adjusted later by a formula based on the relationship of performance measures against the baseline. This method specifies a target baseline performance, a target fee, minimum and maximum fees, and a fee adjustment formula. After performance, the fee payable is determined in accordance with the formula. The formula provides, within limits, for increases in fee above target fee when baseline performance is exceeded, and decreases in fee below target fee when baseline performance is not achieved. This increase or decrease is intended to provide an incentive for the Contractor to management the Contract effectively.

4. Table 4.1 summarizes the Contract work requirements that may become fee-bearing via performance measures. This table establishes a conceptual framework as a basis for development of future performance measures in accordance with Section B Clause entitled, *Fee Structure*.

5. Table 4.1 includes DOE's estimated range of available fee allocation. This table will be used as a guide in establishing available fee allocation among performance incentives for the work contained in each Sub-CLIN. This table is only a guide and actual fee allocation during contract performance will vary. Individual performance incentives within each Sub-CLIN will be assigned fee based on performance risk and other factors.

   If the workscope within a Sub-CLIN is impacted by a change in the WBS, the estimated available fee allocation percentages may be adjusted at the unilateral discretion of the Contracting Officer.

Table 4.1, Summary of Work Requirements

OBJECTIVE	OUTCOMES[1]	POTENTIAL MEASURES	Estimated Weight of Total Available Fee
CLIN 1 – Base Operations			
C.2.1.1 Sub-CLIN 1.1 Transition	Safe and efficient transition of workscope from the Tank Farm Contract to the Tank Operations Contract	• No fee attached directly to this scope • Required to successfully perform other CLINs	No Fee
C.2.1.2 Sub-CLIN 1.2 Safe, Compliant Operations	Safe, efficient, and compliant management of the tank waste inventory and all physical systems to support River Protection Project (RPP) System Plan requirements	• Increased operability and availability of tank farm infrastructure • Safe and efficient tank farm operations • Double-Shell Tank (DST) life baselined and extended • Reduction of sodium addition to DSTs • Baseline costs reduced	5%
C.2.1.3 Sub-CLIN 1.3 Analytical Laboratory Support	Optimal facility availability to support timely, cost-effective laboratory analysis	• No fee attached directly to this scope • Required to successfully perform CLINs 1.2, 2.1 and 2.2	No Fee
CLIN 2 – Single-Shell Tank (SST) Retrieval and Closure			
C.2.2.1 Sub-CLIN 2.1 Single-Shell Tank Retrieval	Tank wastes are safely removed from selected single-shell tanks (SSTs) to the extent required in the Tri-Party Agreement (TPA), thereby facilitating SST farm closure while assisting with the optimization of DST space and staging of tank waste for future treatment	• Retrieve waste from SSTs; B-104, B-201, B-202, B-203, B-204, BY-101, C-101, C-102, C104, C105, C-107, C-110, C-111, C-112, S105, S-109,T-104, T-110, T-111, T-201, T-202, T-203, T-204, U-103, U-201, U-202, U-203, U-204, etc. • Volume of waste removed • Number of tanks ready for closure	18%

[1] Any features of the Offeror's proposed strategy and approach may be implemented as first and subsequent years' performance measures for the PEMP.

OBJECTIVE	OUTCOMES[1]	POTENTIAL MEASURES	Estimated Weight of Total Available Fee
C.2.2.2 Sub-CLIN 2.2 Single-Shell Tank Farm (Waste Management Area) Closure	Closure of the waste management areas containing the SST farms	• *Resource Conservation and Recovery Act of 1976* (RCRA)-compliant closure of C Tank Farm Waste Management Area • RCRA-compliant closure of additional Waste Management Areas	6%
CLIN 3 – Waste Treatment and Immobilization Plant (WTP) Support			
C.2.3.1 Sub-CLIN 3.1 Treatment Planning, Waste Feed Delivery, and WTP Transition	Implementation of the RPP System Plan and performance of required waste feed delivery	• Operability and availability of waste delivery systems as required • Tank waste staged for delivery • Delivery of tank waste	4%
C.2.3.2 Sub-CLIN 3.2 WTP Operational Readiness	Evaluate the operational readiness of the WTP construction project to support safe, efficient turnover of completed facilities.	• Five WTP topical reports signed by the Responsible Corporate Official	<1%
C.2.3.3 Sub-CLIN 3.3 Immobilized High Level Waste (IHLW) Storage and Shipping Facility Construction	The capability to safely store IHLW and the means to prepare Hanford IHLW and Spent Nuclear Fuel for compliant shipment to the Yucca Mountain Project	• Completion of IHLW storage and shipping facility design • Completion of IHLW storage and shipping facility construction and permitting • Successful completion of Critical Decision (CD)-0 though CD-4 and Operational Readiness Review • IHLW storage and shipping facility is operational and receiving IHLW	2%
CLIN 4 – Supplemental Treatment			
C.2.4.1 Sub-CLIN 4.1 Demonstration Bulk Vitrification System (DBVS) Construction and Operations	An operable pilot scale bulk vitrification system that will enable DOE to determine if bulk vitrification is a viable supplemental Low Activity Waste (LAW) treatment process for completing the RPP mission	• Completion of DBVS Design • Completion of DBVS Construction and permitting • Operation of DBVS • Completion of DBVS testing objectives	4%

OBJECTIVE	OUTCOMES[1]	POTENTIAL MEASURES	Estimated Weight of Total Available Fee
C.2.4.2 Sub-CLIN 4.2 Extended Demonstration Bulk Vitrification System Operations	To treat and immobilize tank waste as part of the RPP System Plan, and to transfer the immobilized waste to an on-site disposal facility	• Complete permitting for bulk vitrification system • Operation of bulk vitrification system by volume of waste treated	3%
C.2.4.3 Sub-CLIN 4.3 Supplemental Treatment Design	Design of supplemental treatment plant(s) that augment the WTP, thereby expediting mission completion	• Completion of supplemental treatment plant(s) conceptual design • Successful completion of CD-0, CD-1, and CD-2 • Completion of supplemental treatment plant(s) early permitting	1%
C.2.4.4 Sub-CLIN 4.4 Supplemental Treatment Construction and Operations	Construction and operation of supplemental treatment plant(s) to augment the WTP, thereby expediting mission completion	• Completion of treatment plant(s) design • Completion of treatment plant(s) construction and permitting • Completion of treatment plant(s) CD-3, CD-4, and Operational Readiness Review • Treatment plant(s) operations by volume of waste treated and staged for treatment	20%
C.2.4.5 Sub-CLIN 4.5 Transuranic Tank Waste Treatment and Packaging	Safe packaging, characterization, and loading for shipment of transuranic tank waste to its appropriate repository, thereby reducing the volume of tank waste that must be immobilized in the WTP or other treatment facilities	• Volume of waste removed and treated • Volume of waste shipped off-site • Number of tanks ready for closure	3%
CLIN 5 – Early Feed and Operation of the WTP Low Activity Waste (LAW) Facility			
C.2.5.1 Sub-CLIN 5.1 Tank Selection, Retrieval, Pretreatment and Feed Delivery Design	Evaluation and Design of retrieval, pretreatment and feed delivery systems to facilitate early use of WTP LAW treatment capabilities	• Completion of conceptual design to maximize total tank waste treated using measures such as volume, curies and sodium • Successful completion of CD-0, CD-1, and CD-2 • Completion of up front permitting	30%

OBJECTIVE	OUTCOMES[1]	POTENTIAL MEASURES	Estimated Weight of Total Available Fee
C.2.5.2 Sub-CLIN 5.2 Retrieval, Pretreatment and Feed Delivery Construction and Operations	Complete Design and Construction of retrieval, pretreatment and feed delivery systems, and Operate to stage and/or deliver feed for WTP LAW	• Completion of design • Successful completion of CD-3, CD-4, and Operational Readiness Reviews • Completion of permitting • Operate systems to provide pretreated waste to WTP LAW and/or stage for delivery	
C.2.5.3 Sub-CLIN 5.3 Upgrade and Operate Effluent Treatment Facility (ETF)	Transition operations of ETF into this contract and upgrade facility to process WTP secondary waste	• Operability and availability of waste treatment systems as required • Treatment of WTP, Tank Farms, and other Hanford waste	
C.2.5.4 Sub-CLIN 5.4 LAW/BOF/LAB Operations	Manage, maintain and operate the LAW/BOF/LAB Facilities	• Operate LAW/BOF/LAB to treat tank waste for disposal • Maximize tank waste treated using measures such as volume, curies and sodium	
CLIN 6 – Pension and Welfare Plans			
C.2.6 Sub-CLIN 6.1 Hanford Employee Retirement and Benefit Plan Management and Sub-CLIN 6.2 Legacy Pension and Benefit Plan Management	Effective sponsorship, management and administration of Hanford Employee Retirement and Benefit Plans Effective sponsorship, management and administration of designated Legacy Pension and Benefit Plans from other DOE sites	• No fee attached directly to this scope	No Fee

OBJECTIVE	OUTCOMES[1]	POTENTIAL MEASURES	Estimated Weight of Total Available Fee
C All elements of scope	Overall performance effectiveness, quality, timeliness, efficiency, compliance and safety.	• Completion of Contractor Performance Objectives, Measures and Commitments • Upgrade of facility Voluntary Protection Program status • Nuclear Safety Analysis and Process Improvements • Industrial Safety Process Improvements • Subjective determination, cross-cutting all scope, not otherwise incentivized.	4%

6. In accordance with the Section B Clause entitled, *Changes to Contract Cost and Contract Fee*, if for any reason the Contracting Officer does not authorize work in accordance with the Section B Clause entitled, *DOE Authorization of Work*, the *Total Available Fee* as a percentage of *Total Contract Cost* by Contract Period, excluding non-fee bearing costs identified in the Section B Clause entitled, *Basis for Total Available Fee,* may be adjusted.

Attachments:

Performance measures to be inserted in accordance with Section B Clause entitled, Fee Structure.